

2014/15 Residential Water and Wastewater Price Benchmarking Report

Large Queensland Service Providers



AECgroup

Outcomes Summary

AEC Group Pty Ltd (AEC) is an industry leader in the water and wastewater sector, having provided advice to a large number of clients across Australia in relation to financial and pricing outcomes and business strategies. If you require assistance regarding pricing levels or charging structures, please don't hesitate to contact Gavin O'Donovan, Director and Principal Consultant, on (07) 3831 0577 or via gavin.odonovan@aecgroup.com.

Water Pricing

The Queensland industry median water charge for residential customers serviced by large local government utilities was calculated as:

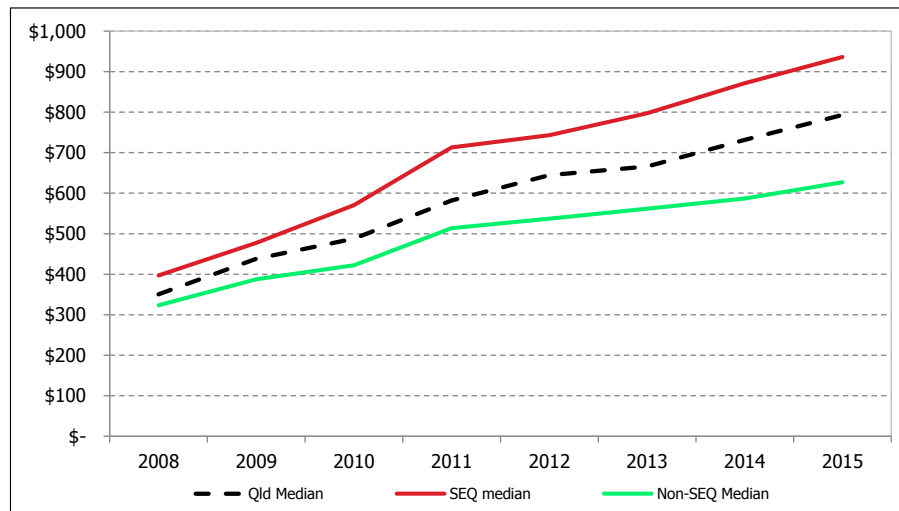
- \$793.28 for a household consuming 200kL per annum (an increase of 8.4% on the prior year median of \$731.56); and
- \$1,395.42 for a household consuming 400kL per annum (an increase of 7.7% on the prior year median of \$1,295.76).

The South-East Queensland (SEQ) median charge increased by 7.4% at 200kL consumption and by 8.2% at 400kL consumption, while the non-SEQ median charge increased by 6.8% at 200kL consumption and by 3.8% at 400kL consumption.

The following graph shows that the SEQ median charge at 200kL consumption has increased at a greater rate than the non-SEQ median charge, to the extent that the gap between the SEQ and non-SEQ median charges has increased from \$74 in 2007/08 to \$310 in 2014/15.

In fact, the SEQ median charge is 49% higher than the non-SEQ median charge, largely due to the SEQ bulk water charges and the cost of the Queensland Government water grid. The extent of the differential also increases as the consumption level increases, meaning that the relative cost impost in SEQ is considerably greater for larger families.

Median Residential Water Bill over Time for a Property Consuming 200kL, 2007/08-2014/15



Source: AEC

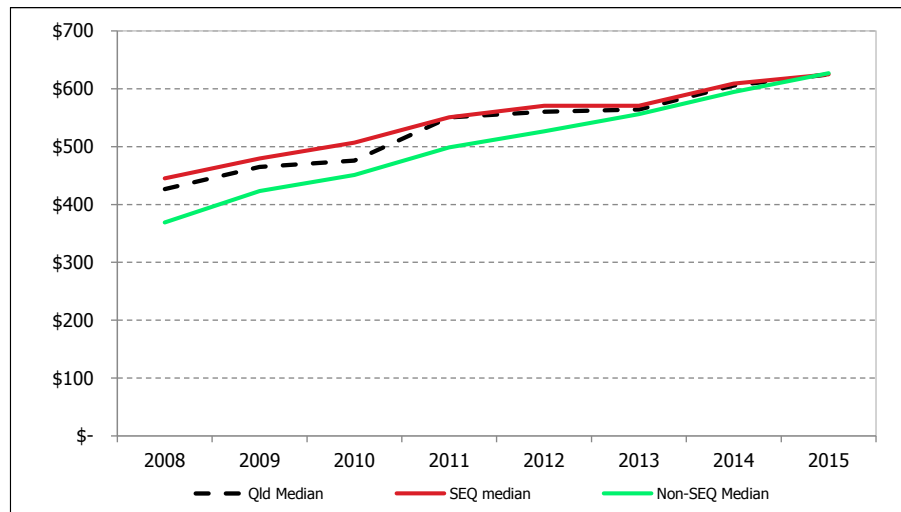
Looking forward, water price increases will remain high due to further increases in the Queensland Government bulk water charges in SEQ through to the final year of the initial price path in 2017/18. While the gap between SEQ and non-SEQ water charges will continue to worsen, we are also aware of some significant bulk water price increases being proposed for selected non-SEQ regions.

Wastewater Pricing

The Queensland industry median wastewater charge for residential customers serviced by large local government utilities was calculated as \$625.00, an increase of 3.2% on the prior year median of \$605.52. The SEQ median charge increased by a more modest 2.6%, while the non-SEQ median charge increased by 5.5%.

The following graph shows that annual increases in non-SEQ median charges have generally been greater than those in SEQ, resulting in the removal of the differential between SEQ and non-SEQ median charges.

Median Residential Wastewater Bill over Time, 2007/08-2014/15



Source: AEC

Looking forward, wastewater price increases are anticipated to continue to be relatively higher in non-SEQ regions due to the cost imposition from increasing compliance requirements and treatment plant upgrades being spread over a smaller customer base.

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1. Water Pricing Levels

The following table provides detailed information on the prices charged for a water service in 2014/15 by selected large service providers in Queensland on a residential property.

Water Price Benchmarking for Large Service Providers in Queensland, 2014/15

Council/Service Provider & Location	Base Charge	Consumption Charge (Rounded)	Discount	Notes
SOUTH-EAST QUEENSLAND (SEQ) WATER GRID				
QLD Urban Utilities				
Brisbane	\$181.44	State Bulk = \$2.547/kL 0-252kL = \$0.724090/kL 252-304kL = \$0.768650/kL >304kL = \$1.370201/kL	0%	<ul style="list-style-type: none"> In each region with consumption tiers, the tiers are annual equivalents, with the actual consumption tier applied each quarter calculated on a litres per day equivalent (i.e. dividing the relevant tier threshold by 365 days and then multiplying by the actual number of days between meter reads) In the Brisbane region, non-residential customers are levied different consumption charges (\$0.868919/kL, \$0.993050/kL and \$1.45722/kL) and feature different first and second consumption tiers (196kL and 296kL) In the Ipswich region, non-residential use is subject to a two-tier charging system using the first tier residential threshold as the applicable tier threshold (slightly different consumption charges to the first and third residential tiers are adopted: \$0.891488 and \$1.805547, with the bulk water charge also applicable) In the Ipswich region, connected properties that are not metered are subject to an annual charge of \$1,095.00
Ipswich	\$303.96	State Bulk = \$2.483/kL 0-316kL = \$0.880048/kL 317-472kL = \$1.403621/kL >472kL = \$1.782375/kL	0%	
Scenic Rim	\$303.96	State Bulk = \$2.847/kL >0kL = \$0.902327/kL	0%	
Lockyer Valley	\$303.96	State Bulk = \$2.740/kL 0-296kL = \$0.245077/kL >296kL = \$1.180824/kL	0%	
Somerset	\$303.96	State Bulk = \$2.988/kL 0-296kL = \$0.256216/kL >296kL = \$0.590411/kL	0%	
Unitywater				
Moreton Bay	\$303.83	State Bulk = \$2.682/kL 0-300kL = \$0.667/kL >300kL = \$1.333/kL	0%	<ul style="list-style-type: none"> The first tier threshold is an annual equivalent, with the actual consumption charge levied quarterly on a first tier threshold of 822 litres per day times the number of days between meter reads
Sunshine Coast, Noosa	\$239.88	State Bulk = \$2.100/kL 0-300kL = \$0.667/kL >300kL = \$1.333/kL	0%	
Gold Coast				
	\$212.08	State Bulk = \$2.71/kL >0kL = \$1.09/kL	0%	<ul style="list-style-type: none"> The base charge for 20mm non-residential connections is higher than that for residential properties at \$377.76 Class A+ recycled water is available in the Pimpama Coomera Dual Reticulation Area at \$1.76/kL
Logan				
	\$290.16	State Bulk = \$2.8730/kL >0kL = \$0.9914/kL	0%	
Redland				
	\$257.55	State Bulk = \$1.962/kL >0kL = \$0.838/kL	0%	<ul style="list-style-type: none"> The tiered pricing structure was replaced by a flat rate from 1 July 2014 The consumption charge for non-residential connections is a single tier charge set at \$1.908/kL (excluding the State bulk water charge of \$1.962/kL which also applies)
OTHER QUEENSLAND				
Bundaberg				
Potable	\$396.00	0-366kL = \$1.10/kL >366kL = \$1.80/kL	0%	<ul style="list-style-type: none"> The tier thresholds are annual equivalents, with the actual consumption charge levied six-monthly on a first tier threshold of 183kL per six months
Non-potable	\$317.00	0-366kL = \$0.88/kL >366kL = \$1.44/kL	0%	
Cairns				
	\$248.58	\$1.11/kL	0%	<ul style="list-style-type: none"> Commercial water consumption charges are higher than residential charges at \$1.18/kL (excluding rural productive properties which are charged at \$1.11/kL) Water supplied to Far North Queensland Ports Group Ltd for shipping is charged at \$1.64/kL Where recycled water is available, an access charge of \$60.26 is applicable in addition to a consumption charge of \$0.56/kL (set at 50% of the potable rate)
Fraser Coast				
	\$464.00	\$1.64/kL	7.5%	<ul style="list-style-type: none"> The new water consumption charge applies from 1 November through to 31 October the following year

Council/Service Provider & Location	Base Charge	Consumption Charge (Rounded)	Discount	Notes
Gladstone				
Lake Awoonga Scheme	\$401.00	\$1.65/kL	10% (base)	<ul style="list-style-type: none"> Bulk water from the Lake Awoonga Scheme is supplied by the Gladstone Area Water Board (GAWB), which is subject to formal pricing reviews by the Queensland Competition Authority
Miriam Vale/Bororen	\$485.00	\$3.69/kL	10% (base)	
Agnes Water/1770	\$496.00	\$3.74/kL	10% (base)	
Beecher/Burua, Tuckers Road	\$401.00	\$1.83/kL	10% (base)	
Gympie	\$370.80	0-250kL = \$1.03/kL >250kL = \$1.85/kL	5%	
Livingstone				
Capricorn Coast	\$546.60	0-300kL = \$0.730/kL 301-600kL = \$1.120/kL >600kL = \$2.260/kL	10% (base)	<ul style="list-style-type: none"> The application of the consumption tiers is on a cumulative basis, such that the second and third tiers are only levied when they are reached through the year rather than being apportioned to each quarterly meter read Non-residential properties are only levied a single tier water consumption charge of \$1.670/kL
The Caves	\$377.30	0-300kL = \$0.730/kL 301-600kL = \$1.120/kL >600kL = \$2.260/kL	10% (base)	
Nerimbera	\$359.80	0-300kL = \$0.730/kL 301-600kL = \$1.120/kL >600kL = \$2.260/kL	10% (base)	
Marlborough	\$377.30	0-300kL = \$0.730/kL 301-600kL = \$1.120/kL >600kL = \$2.260/kL	10% (base)	
Ogmore	\$316.50	0-300kL = \$0.730/kL 301-600kL = \$1.120/kL >600kL = \$2.260/kL	10% (base)	
Mackay	\$348.35	0-300kL = \$1.70/kL >300kL = \$2.55/kL	10% (base)	<ul style="list-style-type: none"> The first tier threshold is an annual equivalent, with the actual consumption charge levied six-monthly on a first tier threshold of 150kL per six months
Rockhampton				
Rockhampton	\$344.70	0-300kL = \$0.69/kL 301-600kL = \$1.08/kL >600kL = \$2.16/kL	10% (base)	<ul style="list-style-type: none"> The application of the consumption tiers is on a cumulative basis, such that the second and third tiers are only levied when they are reached through the year rather than being apportioned to each quarterly meter read Non-residential properties are only levied a single tier water consumption charge of \$1.61/kL
Gracemere	\$367.10	0-300kL = \$0.69/kL 301-600kL = \$1.08/kL >600kL = \$2.16/kL	10% (base)	
Mount Morgan	\$378.30	0-300kL = \$0.69/kL 301-600kL = \$1.08/kL >600kL = \$2.16/kL	10% (base)	
Toowoomba				
District Connections to Non-Toowoomba Bulk Water Supply	\$430.00	0-250kL = \$1.08/kL >250kL = \$1.89/kL	10%	<ul style="list-style-type: none"> The tiers are annual equivalents, with the actual consumption charge levied six-monthly on first and second tier thresholds of 50% of these annual equivalents per six months The consumption tier thresholds applied to a property increase with the size of the water connection
District Connections to Toowoomba Bulk Water Supply	\$590.00	0-200kL = \$2.20/kL >200kL = \$3.47/kL	10%	
District Connections to Low Flow Supply	\$295.00	0-200kL = \$2.20/kL >200kL = \$3.47/kL	10%	
District Connections to Non-Potable Supply	\$215.00	0-250kL = \$0.54/kL >250kL = \$0.95/kL	10%	
Townsville				
Standard Plan	\$728.00	772kL allocation >772kL = \$2.79/kL	0%	<ul style="list-style-type: none"> The non-residential base charges is set higher than the residential base charge at \$346.00 The non-residential consumption charge is set higher than the water watchers residential charge at \$2.72/kL
Water Watchers Plan	\$332.00	\$1.33/kL	0%	

Source: AEC, assorted service providers

2. Water Consumption Charge Trends

The following table outlines the gross consumption charges adopted by selected water service providers in Queensland since 2007/08.

Consumption Charge Trends for Selected Water Service Areas in Queensland, 2007/08-2014/15

Location	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
SEQ WATER GRID								
Brisbane (QLD Urban Utilities)	0-252kL = \$3.271090/kL 252-304kL = \$3.315650/kL >304kL = \$3.917201/kL	0-252kL=\$2.994909/kL 252-304kL=\$3.03755/kL >304kL=\$3.613197/kL	0-255kL = \$2.72/kL 256-310kL = \$2.76/kL >310kL = \$3.32/kL	0-255kL = \$2.45/kL 256-310kL = \$2.49/kL >310kL = \$3.05/kL	0-255kL = \$2.17/kL 256-310kL = \$2.21/kL >310kL = \$2.75/kL	0-255kL = \$1.84/kL 256-310kL = \$1.88/kL >310kL = \$2.39/kL	0-255kL = \$1.52/kL 256-310kL = \$1.56/kL >310kL = \$2.05/kL	0-255kL = \$1.19/kL 256-310kL = \$1.23/kL >310kL = \$1.69/kL
Ipswich (QLD Urban Utilities)	0-316kL = \$3.363048/kL 317-472kL = \$3.886621/kL >472kL = \$4.265375/kL	0-316kL=\$3.080151/kL 317-472kL=\$3.581178/kL >472kL=\$3.943622/kL	0-320kL = \$2.80/kL 321-480kL = \$3.29/kL >480kL = \$3.63/kL	0-320kL = \$2.53/kL 321-480kL = \$3.02/kL >480kL = \$3.36/kL	0-320kL = \$2.24/kL 321-480kL = \$2.71/kL >480kL = \$3.05/kL	0-320kL = \$1.91/kL 321-480kL = \$2.36/kL >480kL = \$2.68/kL	0-320kL = \$1.53/kL 321-480kL = \$1.89/kL >480kL = \$2.14/kL	0-320kL = \$1.25/kL 321-480kL = \$1.55/kL >480kL = \$1.75/kL
Scenic Rim (QLD Urban Utilities)	\$3.749327/kL	\$3.465471/kL	\$3.18906/kL	\$2.91806/kL	\$2.63/kL	Not collected	Not collected	Not collected
Lockyer Valley (QLD Urban Utilities)	0-296kL = \$2.985077/kL >296kL = \$3.920824/kL	0-296kL = \$2.729523/kL >296kL = \$3.624975/kL	0-300kL = \$2.47572/kL >300kL = \$3.33756/kL	0-300kL = \$2.20572/kL >300kL = \$3.06756/kL	0-300kL = \$1.93/kL >300kL = \$2.77/kL	Not collected	Not collected	Not collected
Caboolture (Unitywater)	0-300kL = \$3.349/kL >300kL = \$4.015/kL	0-300kL = \$3.081/kL >300kL = \$3.725/kL	0-280kL = \$2.37/kL 281-360kL = \$3.04/kL >360kL = \$3.50/kL	0-280kL = \$2.10/kL 281-360kL = \$2.77/kL >360kL = \$3.23/kL	0-280kL = \$1.82/kL 281-360kL = \$2.47/kL >360kL = \$2.91/kL	0-280kL = \$1.50/kL 281-360kL = \$2.04/kL >360kL = \$2.40/kL	0-350kL = \$1.06/kL 351-700kL = \$1.60/kL >700kL = \$1.96/kL	0-350kL = \$0.83/kL 351-700kL = \$1.27/kL >700kL = \$1.60/kL
Pine Rivers (Unitywater)	0-300kL = \$3.349/kL >300kL = \$4.015/kL	0-300kL = \$3.081/kL >300kL = \$3.725/kL	0-280kL = \$2.37/kL 281-360kL = \$3.04/kL >360kL = \$3.50/kL	0-280kL = \$2.10/kL 281-360kL = \$2.77/kL >360kL = \$3.23/kL	0-280kL = \$1.82/kL 281-360kL = \$2.47/kL >360kL = \$2.91/kL	0-280kL = \$1.50/kL 281-360kL = \$2.04/kL >360kL = \$2.40/kL	0-280kL = \$1.06/kL 281-360kL = \$1.60/kL >360kL = \$1.96/kL	0-280kL = \$1.00/kL 281-360kL = \$1.70/kL >360kL = \$2.20/kL
Redcliffe (Unitywater)	0-300kL = \$3.349/kL >300kL = \$4.015/kL	0-300kL = \$3.081/kL >300kL = \$3.725/kL	0-280kL = \$2.37/kL 281-360kL = \$3.04/kL >360kL = \$3.50/kL	0-280kL = \$2.10/kL 281-360kL = \$2.77/kL >360kL = \$3.23/kL	0-280kL = \$1.82/kL 281-360kL = \$2.47/kL >360kL = \$2.91/kL	0-280kL = \$1.50/kL 281-360kL = \$2.04/kL >360kL = \$2.40/kL	0-300kL = \$0.98/kL 301-600kL = \$1.60/kL >600kL = \$1.96/kL	0-300kL = \$0.52/kL 301-600kL = \$1.04/kL >600kL = \$1.56/kL
Maroochy (Unitywater)	0-300kL = \$2.767/kL >300kL = \$3.433/kL	0-300kL = \$2.499/kL >300kL = \$3.143/kL	0-219kL = \$2.15/kL >219kL = \$2.65/kL	0-219kL = \$1.88/kL >219kL = \$2.38/kL	0-219kL = \$1.59/kL >219kL = \$2.07/kL	0-219kL = \$1.35/kL >219kL = \$1.80/kL	0-250kL = \$1.10/kL >250kL = \$1.50/kL	0-300kL = \$0.95/kL >300kL = \$1.30/kL
Caloundra (Unitywater)	0-300kL = \$2.767/kL >300kL = \$3.433/kL	0-300kL = \$2.499/kL >300kL = \$3.143/kL	0-219kL = \$2.15/kL >219kL = \$2.65/kL	0-219kL = \$1.88/kL >219kL = \$2.38/kL	0-219kL = \$1.59/kL >219kL = \$2.07/kL	0-219kL = \$1.35/kL >219kL = \$1.80/kL	0-250kL = \$1.10/kL >250kL = \$1.50/kL	0-210kL = \$1.15/kL >210kL = \$1.35/kL
Noosa (Unitywater)	0-300kL = \$2.767/kL >300kL = \$3.433/kL	0-300kL = \$2.499/kL >300kL = \$3.143/kL	0-219kL = \$2.15/kL >219kL = \$2.65/kL	0-219kL = \$1.88/kL >219kL = \$2.38/kL	0-219kL = \$1.59/kL >219kL = \$2.07/kL	0-219kL = \$1.35/kL >219kL = \$1.80/kL	0-250kL = \$1.10/kL >250kL = \$1.50/kL	\$0.95/kL
Gold Coast	\$3.80/kL	\$3.53/kL	\$3.26/kL	\$2.99/kL	\$2.68/kL	\$2.24/kL	\$1.87/kL	\$1.45/kL
Logan	\$3.8644/kL	\$3.5813/kL	\$3.28/kL	\$3.00/kL	\$2.70/kL	\$2.25/kL	\$1.82/kL	\$1.43/kL
Redland	\$2.80/kL	0-146kL = \$2.557/kL 146-292kL = \$3.067/kL >292kL = \$3.577/kL	0-146kL = \$2.16/kL 147-292kL = \$2.59/kL >292kL = \$3.02/kL	0-146kL = \$1.88/kL 147-292kL = \$2.31/kL >292kL = \$2.73/kL	0-146kL = \$1.59/kL 147-292kL = \$2.00/kL >292kL = \$2.41/kL	0-146kL = \$1.55/kL 147-292kL = \$1.95/kL >292kL = \$2.35/kL	0-146kL = \$1.28/kL 147-292kL = \$1.62/kL >292kL = \$1.96/kL	0-183kL = \$0.75/kL 183-292kL = \$0.95/kL >292kL = \$1.15/kL
OTHER QUEENSLAND								
Bundaberg	0-366kL = \$1.10/kL >366kL = \$1.80/kL	0-366kL = \$1.05/kL >366kL = \$1.70/kL	0-366kL = \$1.00/kL >366kL = \$1.65/kL	0-366kL = \$0.95/kL >366kL = \$1.60/kL	0-366kL = \$0.87/kL >366kL = \$1.50/kL	0-366kL = \$0.78/kL >366kL = \$1.40/kL	0-366kL = \$0.70/kL >366kL = \$1.30/kL	0-600kL = \$0.50/kL 601-1,000kL = \$0.70/kL >1,000kL = \$1.10/kL
Cairns	\$1.11/kL	\$1.09/kL	\$1.12/kL	\$1.01/kL	\$0.96/kL	\$0.89/kL	\$0.82/kL	45kL allocation >45kL = \$0.72/kL
Hervey Bay (Fraser Coast)	\$1.64/kL	\$1.57/kL	\$1.50/kL	\$1.43/kL	\$1.37/kL	\$1.37/kL	\$1.15/kL	\$1.05/kL

Location	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Maryborough (Fraser Coast)	\$1.64/kL	\$1.57/kL	\$1.50/kL	\$1.43/kL	\$1.37/kL	0-170kL = \$1.12/kL >170kL = \$1.24/kL	0-170kL = \$0.94 >170kL = \$1.04	\$0.88/kL
Gladstone	\$1.65/kL	\$1.59/kL	\$1.55/kL	\$1.95/kL	\$1.50/kL	\$0.95/kL	\$0.90/kL	0-400kL = \$0.65/kL 401-1,000kL = \$0.99/kL >1,000kL = \$1.32/kL
Gympie	0-250kL = \$1.03/kL >250kL = \$1.85/kL	0-250kL = \$1.00/kL >250kL = \$1.80/kL	0-250kL = \$0.95/kL >250kL = \$1.64/kL	0-250kL = \$0.90/kL >250kL = \$1.50/kL	0-250kL = \$0.80/kL >250kL = \$1.50/kL	0-250kL = \$0.70/kL >250kL = \$1.50/kL	0-250kL = \$0.60/kL >250kL = \$1.50/kL	0-290kL = \$0.59/kL >290kL = \$1.44/kL
Yeppoon (Livingstone)	0-300kL = \$0.73/kL 301-600kL = \$1.12/kL >600kL = \$2.26/kL	0-300kL = \$0.66/kL 301-600kL = \$1.01/kL >600kL = \$2.04/kL	0-300kL = \$0.62/kL 301-600kL = \$0.96/kL >600kL = \$1.93/kL	0-300kL = \$0.61/kL 301-600kL = \$0.95/kL >600kL = \$1.83/kL	0-300kL = \$0.59/kL 301-600kL = \$0.92/kL >600kL = \$1.77/kL	0-300kL = \$0.55/kL 301-600kL = \$0.86/kL >600kL = \$1.66/kL	0-400kL = \$0.35/kL >400kL = \$1.20/kL	Not collected
Mackay	0-300kL = \$1.70/kL >300kL = \$2.55/kL	0-300kL = \$1.60/kL >300kL = \$2.40/kL	0-300kL = \$1.49/kL >300kL = \$2.25/kL	0-300kL = \$1.40/kL >300kL = \$2.11/kL	0-300kL = \$1.33/kL >300kL = \$2.01/kL	0-300kL = \$1.13/kL >300kL = \$1.70/kL	0-300kL = \$1.00/kL >300kL = \$1.50/kL	0-300kL = \$0.95/kL >300kL = \$1.30/kL
Rockhampton	0-300kL = \$0.69/kL 301-600kL = \$1.08/kL >600kL = \$2.16/kL	0-300kL = \$0.67/kL 301-600kL = \$1.04/kL >600kL = \$2.09/kL	0-300kL = \$0.62/kL 301-600kL = \$0.96/kL >600kL = \$1.93/kL	0-300kL = \$0.59/kL 301-600kL = \$0.91/kL >600kL = \$1.83/kL	0-300kL = \$0.57/kL 301-600kL = \$0.88/kL >600kL = \$1.77/kL	0-300kL = \$0.53/kL 301-600kL = \$0.83/kL >600kL = \$1.66/kL	0-300kL = \$0.48/kL 301-600kL = \$0.75/kL >600kL = \$1.50/kL	0-300kL = \$0.42/kL 301-600kL = \$0.66/kL >600kL = \$1.33/kL
Toowoomba	0-200kL = \$2.20/kL >200kL = \$3.47/kL	0-200kL = \$2.20/kL >200kL = \$3.47/kL	0-200kL = \$2.10/kL >200kL = \$3.30/kL	0-200kL = \$2.10/kL >200kL = \$3.30/kL	0-200kL = \$1.50/kL >200kL = \$2.80/kL	0-200kL = \$1.50/kL >200kL = \$2.80/kL	0-200kL = \$0.80/kL 201-500kL = \$1.50/kL >500kL = \$3.00/kL	0-200kL = \$0.70/kL 201-500kL = \$1.50/kL >500kL = \$3.00/kL
Townsville	772kL allocation >772kL = \$2.79/kL* OR \$1.33/kL**	772kL allocation >772kL = \$2.74/kL* OR \$1.30/kL**	772kL allocation* >772kL = \$2.61/kL* OR \$1.24/kL**	772kL allocation* >772kL = \$2.49/kL* OR \$1.18/kL**	\$0.65/kL	0-772kL = \$0.69/kL >772kL = \$2.12/kL	772kL allocation >772kL = \$2.12/kL	776kL allocation >776kL = \$1.80/kL
Thuringowa (Townsville)	772kL allocation >772kL = \$2.79/kL* OR \$1.33/kL**	772kL allocation >772kL = \$2.74/kL* OR \$1.30/kL**	772kL allocation* >772kL = \$2.61/kL* OR \$1.24/kL**	772kL allocation* >772kL = \$2.49/kL* OR \$1.18/kL**	\$0.65/kL	0-772kL = \$0.69/kL >772kL = \$2.12/kL	0-882kL = \$0.60/kL >882kL = \$2.12/kL	0-882kL = \$0.60/kL >882kL = \$1.90/kL

Source: AEC, assorted service providers
Notes: *Standard Plan, **Water Watchers Plan

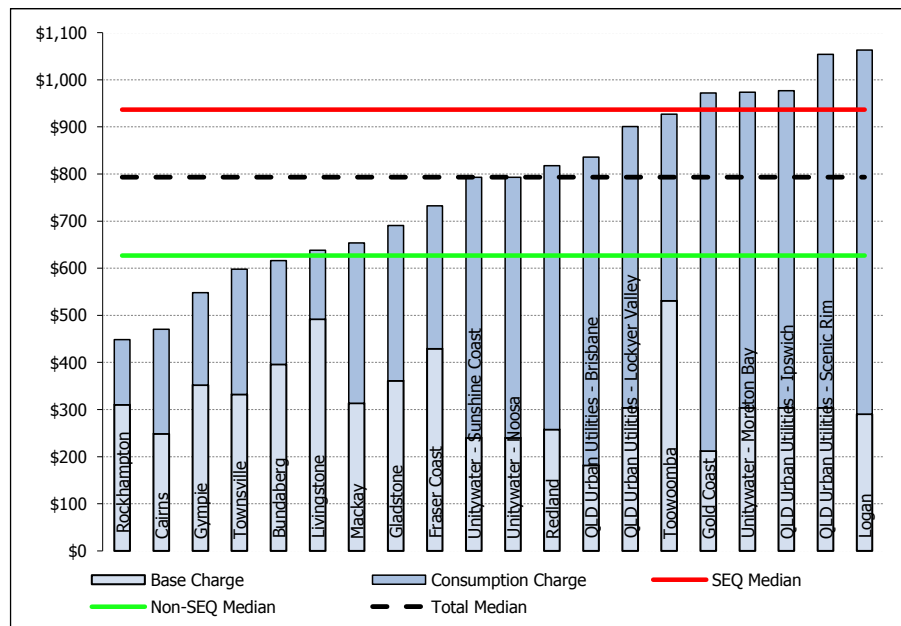


3. Comparison of Water Charges

NOTE: Historic benchmarks have been recalculated to include the de-amalgamated Noosa and Livingstone Councils, and Scenic Rim and Lockyer Valley Councils have also been added to the benchmark sample which now consists of 10 SEQ Water Grid and 10 non-SEQ Water Grid Councils.

The graph below compares an annual residential water bill at consumption of 200kL (net of any relevant discount). The industry median charge is \$793.28, an increase of 8.4% on the prior year median of \$731.56. The Queensland industry median is significantly impacted by SEQ bulk water charges as a result of the State Government water grid, with the SEQ median charge of \$936.53 (up 7.4% on the prior year median) being 49% higher than the non-SEQ median charge of \$626.97 (up 6.8% on the prior year median).

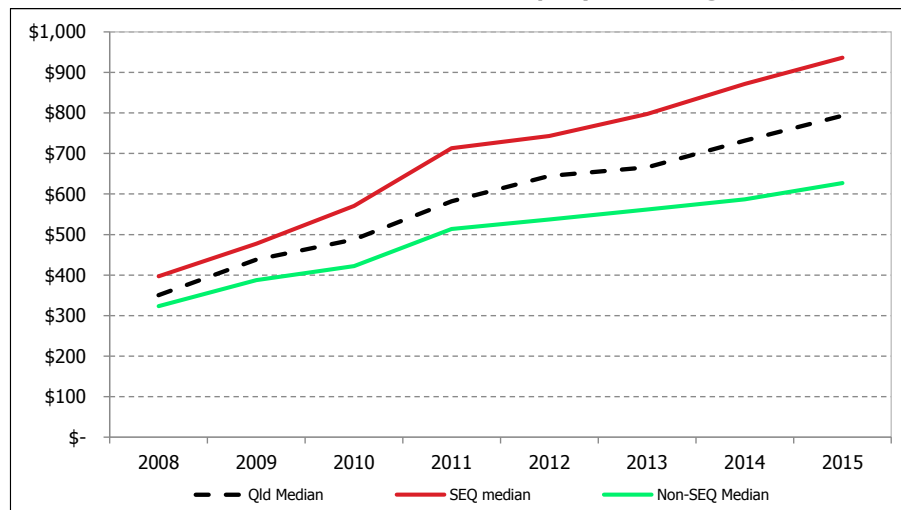
Average Residential Water Bill for a Property Consuming 200kL, 2014/15



Source: AEC
Notes: Water Watchers Plan used for Townsville residential bill calculation.

The following graph provides a summary of SEQ and non-SEQ median residential charges for a property consuming 200kL per annum over time. It is evident that the SEQ median charge has increased at a greater rate than the non-SEQ median charge, to the extent that the gap between the SEQ and non-SEQ median charges has increased from \$74 in 2007/08 to \$310 in 2014/15.

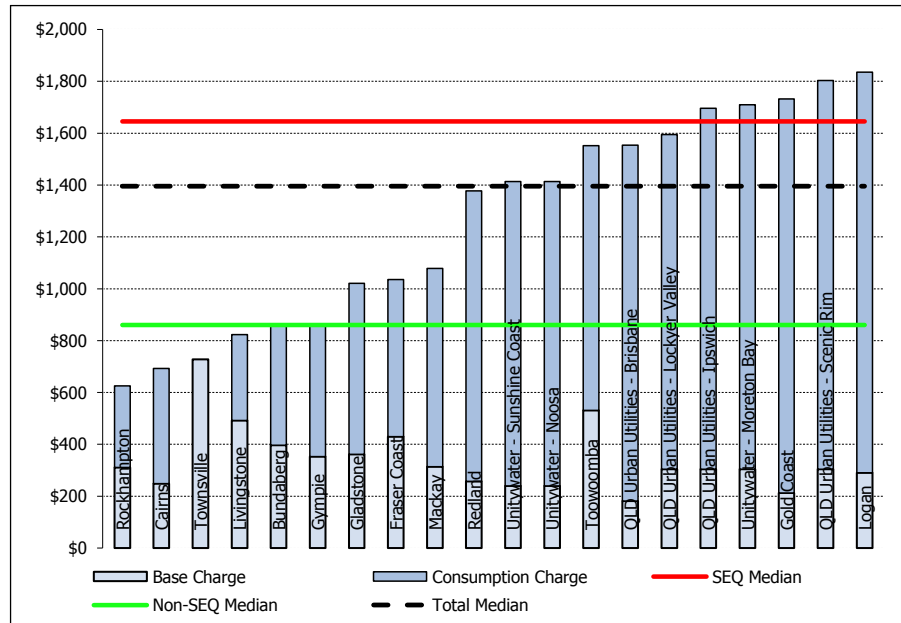
Median Residential Water Bill over Time for a Property Consuming 200kL, 2007/08-2014/15



Source: AEC

The graph below compares an annual residential water bill at consumption of 400kL (net of any relevant discount). The median charge of \$1,395.42 is 7.7% higher than the prior year median of \$1,295.76. Again, the industry median is significantly impacted by SEQ bulk water charges, with the SEQ median charge of \$1,645.60 (up 8.2% on the prior year median) being 91% higher than the non-SEQ median charge of \$860.16 (up 3.8% on the prior year median).

Average Residential Water Bill for a Property Consuming 400kL, 2014/15

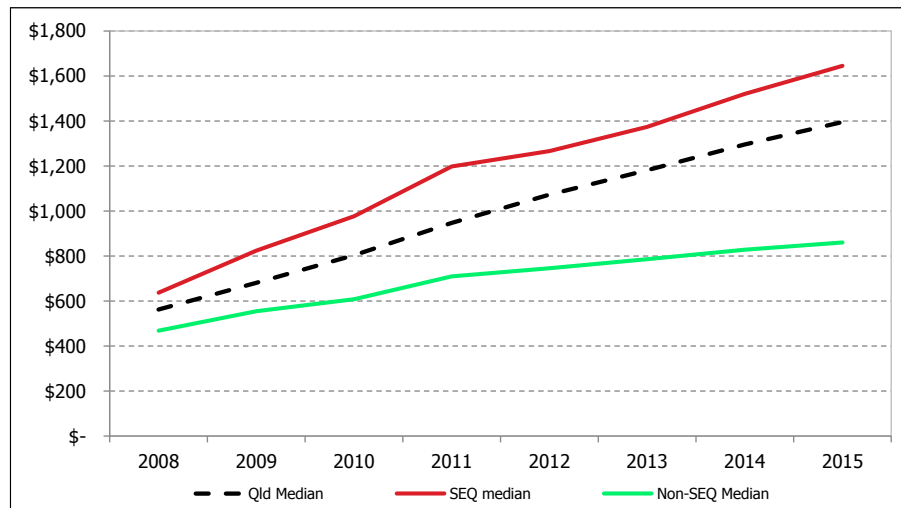


Source: AEC

Notes: Standard Plan used for Townsville residential bill calculation.

The following graph provides a summary of SEQ and non-SEQ median residential charges for a property consuming 400kL per annum over time. It is evident that the SEQ median charge has increased at a greater rate than the non-SEQ median charge, to the extent that the gap between the SEQ and non-SEQ median charges has increased from \$169 in 2007/08 to \$785 in 2014/15.

Median Residential Water Bill over Time for a Property Consuming 400kL, 2007/08-2014/15



Source: AEC

4. Wastewater Pricing Levels

The following table provides information on the prices charged for a wastewater (or sewerage) service in 2014/15 by selected large service providers in Queensland on a residential property.

Wastewater Price Benchmarking for Large Service Providers in Queensland, 2014/15

Council/Service Provider & Location	Wastewater Charge	Discount	Comments
SEQ^(a)			
QLD Urban Utilities			
Brisbane	\$516.72	0%	* In the Brisbane region, a "Reduced Access" sewerage charge of \$192.36 is levied on properties if they are an allotment which is a paved road used to access a number of adjoining properties and is exclusively for vehicle and pedestrian access, or a lot on a community titles scheme and used for a car parking space, storage cupboard, storage unit, advertising hoarding or purposed of a like nature * In the Lockyer Valley region, additional pedestal charges apply to residential premises at \$345.36 per pedestal and vacant land charges are generally set at \$250.80 per annum * In the Somerset region, vacant land charges are \$381.96 in the Kilcoy service area and \$298.80 in all other service areas
Ipswich	\$597.12	0%	
Scenic Rim	\$542.88	0%	
Lockyer Valley	\$456.96	0%	
Somerset – Lowood, Fernvale, Esk, Toogoolawah	\$542.88	0%	
Somerset – Kilcoy	\$432.48	0%	
Unitywater			
Moreton Bay Region	\$719.56 + 0-270kL = \$0.667/kL	0%	* Sewage discharges are determined by applying a discharge factor of 90% to measured water consumption, and are capped at 270kL per residence
Sunshine Coast and Noosa	\$527.68 + 0-270kL = \$0.667/kL	0%	
Gold Coast	\$725.12	0%	
Logan	\$684.80	0%	* Properties connected to a Common Effluent Disposal scheme are levied a charge of \$547.84
Redland	\$660.25	0%	* Developed residential and vacant residential properties are charged for 25 sewer units with the unit charge being \$26.41
OTHER QUEENSLAND			
Bundaberg	\$634.00	0%	
Cairns	\$735.58	0%	* Vacant lots are levied a reduced charge of \$585.62 * Standard commercial charges per pedestal are applied for connections servicing common property (e.g. toilet servicing swimming pool area or foyer)
Fraser Coast	\$726.00	7.5%	
Gladstone			
Gladstone	\$605.00	10%	
Boyne Island, Tannum Sands, Calliope	\$682.00	10%	
Agnes Water/1770	\$874.00	10%	
Gympie	\$652.64	5%	
Livingstone	\$667.40	10%	* Vacant land is levied a reduced charge of \$634.00
Mackay	\$842.45	10%	* Properties connected to the North Eton Biocycle system are levied a charge of \$717.00
Rockhampton			
Rockhampton	\$557.90	10%	* Vacant land within each district is levied a reduced charge as follows: Rockhampton \$530.10, Gracemere \$692.70 and Mount Morgan \$639.60
Gracemere	\$729.20	10%	
Mount Morgan	\$673.20	10%	
Toowoomba	\$400.40	10%	* Additional charges are levied on properties with greater than four pedestals at a rate of \$200.20 per additional pedestal * Residential properties connected to a common effluent drainage sewerage system are levied a charge of \$200.20, plus \$100.10 for each pedestal in excess of four
Townsville	\$759.00	0%	* Vacant land is levied a reduced charge of \$683.00

Source: AEC, assorted service providers

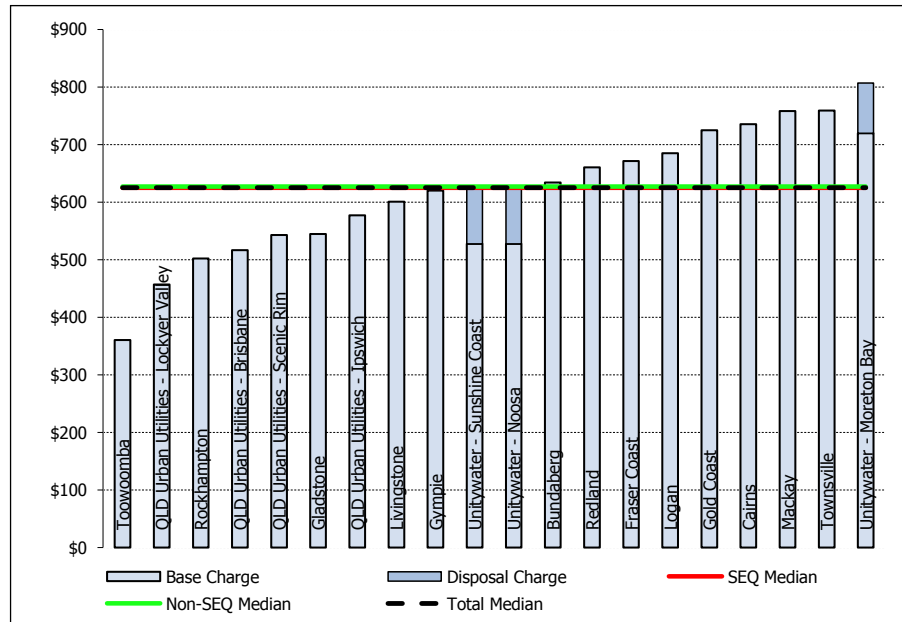
Notes: (a) The same classifications as that adopted for water (i.e. SEQ Water Grid versus Other Queensland) are retained for wastewater charging for consistency.

5. Comparison of Wastewater Charges

NOTE: Historic benchmarks have been recalculated to include the de-amalgamated Noosa and Livingstone Councils, and Scenic Rim and Lockyer Valley Councils have also been added to the benchmark sample which now consists of 10 SEQ Water Grid and 10 non-SEQ Water Grid Councils.

The graph below compares an annual residential wastewater bill (net of any relevant discount), selecting the main area/s of supply within each region. The median charge of \$625.00 is 3.2% higher than the prior year median of \$605.52. The SEQ median charge of \$625.00 (up 2.6% on the prior year median) is 0.3% lower than the non-SEQ median charge of \$627.00 (up 5.5% on the prior year median).

Average Residential Wastewater Bill, 2014/15

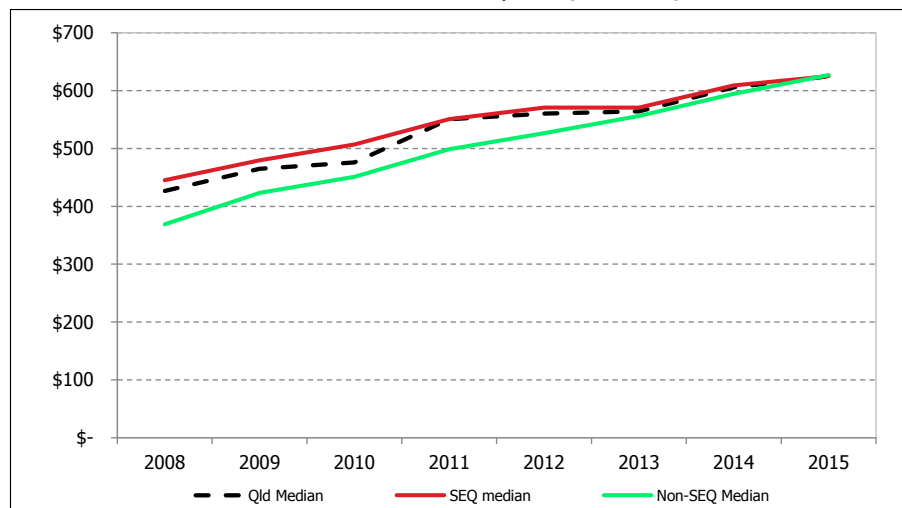


Source: AEC

Notes: * Average residential discharge levels of 135.69kL and 151.12kL are assumed for Moreton Bay and Sunshine Coast, respectively, based on the average of monthly observations from SEQWater published water consumption data multiplied by the applicable residential property discharge factor of 90%.

The following graph provides a summary of SEQ and non-SEQ median wastewater charges for a residential property over time. It is evident that annual increases in non-SEQ median charges have generally been greater than those in SEQ, resulting in the removal of the differential between SEQ and non-SEQ median charges.

Median Residential Wastewater Bill over Time, 2007/08-2014/15



Source: AEC



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